



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

SUMMARY OF A PUBLIC MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM EXTERNAL AFFAIRS COMMITTEE

HELD ON
September 2, 2011
10:00 a.m., Arizona Time

The External Affairs Committee (EAC) of the Arizona State Retirement System (ASRS) met in regular session in the 14th Floor Conference Room of the ASRS Office, 3300 North Central Avenue, Phoenix, AZ, 85012. Mr. Michael Townsend, Chair, called the meeting to order at 10:00 a.m., Arizona Time.

This meeting was teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona, 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Michael Townsend, Chair
Mr. Kevin McCarthy, Vice-Chair (Via Teleconference)
Mr. Tom Manos
Mr. David Byers

Absent: None

A quorum was present for the purpose of conducting business.

2. Approval of the Minutes of the May 6, 2011 EAC Meeting

Motion: Mr. David Byers moved the External Affairs Committee approve the minutes of the May 6, 2011 EAC meeting.

Mr. Tom Manos seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions and 0 excused the motion was approved.

3. Presentation, Discussion, and Appropriate Action Regarding the 2012 Legislative Initiatives

Mr. Patrick M. Klein, Assistant Director, External Affairs Division, gave a brief overview of how the ASRS' legislative initiatives were developed and reviewed. He then introduced Ms. Lesli Sorensen, Government Relations Officer, who presented and discussed the proposed

legislation for the 2012 Legislative Session and asked for input from the Committee members.

Ms. Sorensen presented the following potential items:

Accounts Receivable: The ASRS would seek new authority to engage in additional collection efforts to recoup overpayments including the use of special administrative privileges, pre-litigation wages and bank account levies, and third-party collectors.

Method of Payments and Collections: Permit the ASRS to determine the method of making disbursements and collecting receipts.

Member Statements: Clarify that an annual member statement may be furnished electronically.

Federal Conforming Changes: Conform statutes to federal requirements.

2011 Revisions/Clarifications: Continue to review 2011 legislation for potential revision.

Survivor Benefits – Employer Contributions Not Withheld Monies – Clarify that the ASRS will not pay the Employer portion of a Contributions Not Withheld payment as a forfeiture or a non-retired survivor benefit if the member has not paid his or her portion.

Eliminate the Level Income Alternative: Eliminate the Level Income Alternative for new retirements after July 1, 2012.

Community Property Clarification: Clarify the applicability of community property statutes to ASRS benefits.

Employer Withdrawal Liability: Establish an employer withdrawal and transfer liability payment.

Eliminate Health Benefit Supplement Payments to Retirees in “Active” Insurance Plans: Do not pay the Health Benefit Supplement (HBS) to future retirees who are covered under an ASRS Employer’s “active” (subsidized) insurance plan, either as the insured or as a dependent.

Modernize Investment Statutes: Clarify various statutes governing ASRS investments.

Objective Medical Evidence: Require Long Term Disability claims be supported by “objective medical evidence.”

Cap Disability Earnings: Cap disability earnings at 100% of the member’s pre-disability salary for new disabilities after July 1, 2012.

Mandatory Forfeitures (New Hires): Require the forfeiture of an account for members hired on or after July 1, 2013 that are less than \$5,000 in total account balance and greater than 60 months since the last posted contribution.

Eliminate Inactive Member Leave of Absence Purchases: Eliminate the ability of an inactive member to initiate a Leave of Absence service purchase unless the person could not resume employment because of non-availability of the position.

Clarify Stipend or Per Diem Service is Not Other Public Service: Clarify that a member

cannot purchase time for which they are compensated solely or primarily by stipend or a per diem rate.

Revise Military Purchases to Conform with Federal Law: Revise statute to conform with federal law for reserve service.

Ms. Sorensen also briefly mentioned legislation that had been proposed but would not be acted upon this session. She also said she would make changes to the legislative proposals requested by Committee members and would present the final package to the Committee at the next EAC meeting.

4. Call to the Public

No members of the public requested to speak.

5. Adjournment of the ASRS External Affairs Committee

Mr. Townsend adjourned the September 2, 2011 EAC meeting at 11:30 a.m.

Respectfully Submitted by,

Zachary Kucera
Committee Secretary

Date

Patrick M. Klein Date
Assistant Director, External Affairs Division